



Federal Communications Commission
Washington, D.C. 20554

December 15, 2008

Mr. Scott Barash
Acting Chief Executive Officer
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

RE: Execution Matrix Revision

Dear Mr. Barash:

This letter addresses the proposed Execution Matrix for implementing the Memorandum of Understanding (MOU) that the Universal Service Administrative Company (USAC) submitted on November 11, 2008. We appreciate USAC's efforts to prepare this tool for ensuring full implementation of, and compliance with, the MOU. As explained below, we direct USAC to make certain modifications to ensure a more timely implementation of the MOU's requirements.

First, USAC should provide greater specificity concerning the target dates for implementing the requirements in the MOU. Most of the target dates in USAC's draft Execution Matrix specify only a calendar quarter. USAC should identify a specific date within the calendar quarter for completion. We understand that these dates will be estimated dates that USAC anticipates completing the necessary tasks and may change based on developments.

Second, USAC should generally accelerate its implementation schedule for key requirements contained in the MOU. Full and timely implementation of the MOU's requirements will help safeguard the Universal Service Fund (USF) from potential waste, fraud, and abuse and help ensure the USF is administered in an efficient, effective manner. Thus, USAC should work towards completing full implementation sooner than proposed in the draft Execution Matrix. In particular, USAC should accelerate the target dates for the following items:

Section III.B.5. – December 31, 2008.

Section IV.A. – January 9, 2009.

Section IV.D.1. – Report in January 2009 for December 2008 monthly data and fourth quarter 2008 quarterly data.

Section IV.D.2. – January 29, 2009.

Section IV.D.3. – January 16, 2009.

Section IV.F.1.¶1 – December 31, 2008.

Section IV.J. – January 16, 2009.

Section IV.L. – December 31, 2008.

Attachment C

Programmatic Reports/Data Certifications (p. 19 of the matrix) – develop policy and procedure and certification statements by December 31, 2008 and begin providing certifications with January 2009 reports.

Programmatic Reports/Data (pp. 20-25 of the matrix) -- Report in January 2009 for December 2008 monthly data and fourth quarter 2008 quarterly data.
Programmatic Reports/Data/Schools and Libraries and Rural Health Care (pp. 25-27 of the matrix) – develop and submit reports starting January 2009 for data through December 2008.

Aggregated Disbursements by Provider Type/Size of Fund Worksheet/FCC Form 498 Database (pp. 28-29 of the matrix) – develop and submit first quarterly report in January 2009 for data through December 2008.

Attachment D

USAC Performance Measures (pp. 30-32 of the matrix) – develop and submit first quarterly report in January 2009 for data through December 2008.

Again, we understand that some target dates for completion may require changes as USAC continues implementing the MOU requirements. USAC should keep the Commission apprised of any potential changes to the schedule contained in the Execution Matrix and the reasons for any potential delays.

Thank you for your attention to these matters. If you have any questions or wish to discuss the issues raised in this letter further, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony J. Dale", is written over a faint, stylized blue graphic that resembles a triangle or a stylized letter 'A'.

Anthony J. Dale
Managing Director

Cc: USAC Board of Directors
Dana Shaffer, Chief, Wireline Competition Bureau
Kent Nilsson, Inspector General